

Message Text

CONFIDENTIAL

PAGE 01 PARIS 02353 01 OF 02 241115Z

12

ACTION STR-04

INFO OCT-01 EUR-12 IO-11 ISO-00 STRE-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 /104 W

----- 016769

R 241102Z JAN 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7171

INFO USMISSION EC BRUSSELS

USDEL MTN GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 02353

DEPARTMENT PASS STR FOR AMBASSADOR DENT

E.O. 11652: GDS

TAGS: ETRD GATT MTN

SUBJECT: VISIT TO FRANCE OF AMBASSADOR DENT (STR)

REF: STATE 011108

1. SUMMARY: ON JANUARY 21 AMBASSADOR DENT REVIEWED CURRENT SITUATION IN MTN WITH KEY GOF MINISTERS AND PRIVATE SECTOR. CONVERSATIONS WERE CORDIAL AND GOF OFFICIALS EXHIBITED POSITIVE ATTITUDE TOWARD FURTHER PROGRESS IN MTN. HOWEVER, EMBASSY BELIEVES STATEMENTS MADE BY GOF OFFICIALS ALSO INDICATE HESITATION ON PART GOF UNTIL IT BECOMES MORE CLEAR THAT EXCHANGE RATES ARE STABILIZED AND THAT AGRICULTURAL ISSUES ARE NEGOTIATED SEPARATELY. THIS MESSAGE WAS NOT CLEARED WITH AMBASSADOR DENT. END SUMMARY.

2. JACQUES FERRY, PRESIDENT OF FRENCH STEEL PRODUCERS' CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 02353 01 OF 02 241115Z

ASSOCIATION, EXPRESSED TWO CONCERNS TO THE AMBASSADOR.

FIRST, HE SAID THERE WAS A NEED FOR EXCHANGE RATE STABILITY TO INSURE THAT POSSIBLE GAINS IN MTN NOT BE NULLIFIED. SECOND, HE FELT NEED FOR NEW SAFEGUARDS SYSTEM WITHIN GATT FRAMEWORK OPERATING WITH PRECISE RULES APPLICABLE TO ALL. IN THIS CONTEXT HE WAS "ENVIOUS" OF U.S. ABILITY UNDER TRADE ACT TO TAKE UNILATERAL SAFEGUARD MEASURES (READ SPECIALTY STEEL) WHILE EUROPEANS UNABLE TO ACT (SIC). AMBASSADOR DENT AGREED ON NEED FOR REFORM OF GATT ARTICLE XIX AND STRESSED TO FERRY THE IMPORTANCE OF THE NON-TARIFF PORTION OF THE MTN. THEY AGREED TO KEEP IN TOUCH. FERRY IS ALSO IN COMMUNICATION WITH AMBASSADOR WALKER. EMBASSY COMMENT: THE FACT THAT FERRY RAISED THE MONETARY ISSUE IS SIGNIFICANT. THIS WAS ALWAYS IMPORTANT IN FERRY'S

THINKING EVEN BEFORE THE TOKYO DECLARATION. HE HAD DOWNPLAYED THE PROBLEM IN RECENT CONVERSATIONS. FACT THAT HE AGAIN CONSIDERS STABILITY OF EXCHANGE RATES A PROBLEM AFTER RAMBOUILLET AND JAMAICA WHERE HE ACKNOWLEDGED PROGRESS HAD BEEN MADE, SHOWS (A) CURRENCY OF THESE VIEWS IN INFLUENTIAL FRENCH CIRCLES, AND (B) A WAIT AND SEE ATTITUDE.

3. RAYMOND BARRE, THE NEW FOREIGN TRADE MINISTER, DEMONSTRATED HIS FAMILIARITY WITH THE SUBJECT MATTER OF MTN. BARRE'S MAIN POINT WAS THE PRESERVATION OF FREE TRADE DURING A PERIOD OF ECONOMIC CRISIS. HE THOUGHT ALL INDUSTRIAL COUNTRIES HAD DONE WELL IN RECENT YEARS. HE CREDITED THE U.S. ADMINISTRATION WITH THE RIGHT POLICY, AND HE HOPED THE U.S. COULD WITHSTAND PRESSURES FOR PROTECTIONIST MEASURES. BARRE SAID HE WAS CONFIDENT WE COULD FIND SOLUTIONS TO THE AGRICULTURAL ISSUES, BUT HE INSISTED AGRICULTURE REQUIRES SPECIAL TREATMENT. BARRE ALSO RAISED THE PROBLEM OF EXCHANGE RATE STABILITY AND LINKED IT WITH BOTH AGRICULTURE AND PROTECTIONISM AS THE KEYS TO SUCCESS OF THE MTN. AMBASSADOR DENT STRESSED TO BARRE THE IMPORTANT POLITICAL CONSEQUENCES

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PARIS 02353 02 OF 02 241115Z

10

ACTION STR-04

INFO OCT-01 EUR-12 STRE-00 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 IO-11 /104 W

----- 016778

R 241102Z JAN 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7172

INFO USMISSION EC BRUSSELS

USDEL MTN GENEVA

C O N F I D E N T I A L SECTION 02 OF 02 PARIS 02353

OF A FAILURE OF THE NEGOTIATIONS, ESPECIALLY FOR THE LEADERSHIP OF THE INDUSTRIALIZED COUNTRIES. WHEN THE FRENCH RAISED A QUESTION ABOUT THE POSSIBILITY THAT THIS YEAR'S ELECTION CAMPAIGN WOULD ACT AS A DRAG ON THE U.S. NEGOTIATING ABILITY, AMBASSADOR DENT EXPLAINED IN DETAIL THE CLOSE WORKING RELATIONSHIP BETWEEN HIS OFFICE AND THE HILL. HE ALSO STRESSED THE BI-PARTISAN NATURE OF THESE RELATIONSHIPS. EMBASSY COMMENT: WE DO NOT YET KNOW WHAT KIND OF ROLE BARRE WILL PLAY IN THE GOVERNMENT. HE PLANS TRIPS TO BRAZIL AND INDIA FOLLOWING THE LEAD OF HIS PREDECESSOR, SEGARD. AT HIS FIRST MEETING WITH THE PRESS, BARRE SPOKE ALMOST EXCLUSIVELY ON THE IMPORTANCE OF STABLE EXCHANGE RATES FOR THE EXPANSION OF WORLD TRADE. GIVEN HIS BACKGROUND, THIS IS NOT SURPRISING. IT SEEMS REASONABLE TO EXPECT BARRE WILL TAKE AN ACTIVE INTEREST IN MTN. END COMMENT.

4. FINANCE MINISTER FOURCADE WAS RELAXED AND APPARENT-CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 02353 02 OF 02 241115Z

LY PLEASED WITH THE JAMAICA MEETING. HE AGREED THAT RAMBOUILLET MEANT AN ACCELERATION OF THE MTN. AMBASSADOR DENT DISCUSSED THE 1976 WORK CALENDAR AND SAID WE WOULD PROPOSE A TARIFF FORMULA IN MARCH. FOURCADE SAID THE GOF WAS ALREADY PREPARED FOR FURTHER DISCUSSION OF THIS SUBJECT. HE ALSO AGREED THAT WE MUST KEEP TALKING ON AGRICULTURE. AT THE END OF THE MEETING FOURCADE NOTED THAT IF EXCHANGE RATES WERE ERRATIC IT WOULD MAKE NEGOTIATIONS MORE DIFFICULT. EMBASSY COMMENT: BERTRAND LARRERA DE MOREL, DIRECTOR OF FOREIGN ECONOMIC RELATIONS

IN THE MINISTRY OF FOREIGN TRADE WAS PRESENT AT BOTH MEETINGS WITH BARRE AND FOURCADE. IT WAS OBVIOUS THAT FOURCADE RELIED HEAVILY ON DE MOREL FOR INFORMATION AND GUIDANCE ON CURRENT MTN ISSUES, EXCEPT MONETARY. FOURCADE HAS CLEARLY NOT BEEN ON TOP OF MTN DEVELOPMENTS IN RECENT MONTHS. AS A GENERAL COMMENT WE BELIEVE APPARENT FRENCH PRE-OCCUPATION WITH EXCHANGE RATE QUESTION AND PERSISTENT REFERENCES TO SPECIFICITY OF AGRICULTURAL PROBLEMS IMPLIES A CAUTIOUS APPROACH TOWARD ANY LIBERALIZATION OF THE EC NEGOTIATING MANDATE IN THE NEAR FUTURE. END COMMENT.
RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, VISITS, MEETINGS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PARIS02353
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760028-0078
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760125/aaaaavoy.tel
Line Count: 181
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION STR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 11108
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAR 2004 by KelleyW0>; APPROVED <28 JUL 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VISIT TO FRANCE OF AMBASSADOR DENT (STR)
TAGS: ETRD, OTRA, GATT, MTN, (DENT, FREDERICK B)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006